

## Standard Three-Appraisal Review

### Nebraska Real Estate Appraiser Board

Date Assigned \_\_\_\_\_

Reviewers Name \_\_\_\_\_

The **Nebraska Real Estate Appraiser Board (NREAB)** would like you to complete a Standard Three Appraisal Review in accordance with the **Uniform Standards of Professional Appraisal Practice (USPAP)** on the following appraisal report:

Legal Description/ or Address:

\_\_\_\_\_ This review will be used by the **NREAB** to determine qualifications for Licensing, Residential Certification, or General Certification under the licensing law in the State of Nebraska; or

\_\_\_\_\_ This review will be used by the **NREAB** to determine if there are substantial errors or inadequacies in the appraisal report that should result in further investigation by the Board.

The **NREAB** would like to have your review completed for the \_\_\_\_\_ meeting of the Board. If you cannot complete the review by this date, please call the Board Office immediately.

In accordance with **USPAP**, if you cannot complete this review assignment competently and in an unbiased manner, please return the report immediately to the Board office. The report will be reassigned to a different reviewer.

### Review Instructions

If you have any questions about this appraisal review order, please call the Nebraska Real Estate Appraiser Board Office and a staff member will assist you.

1. Read through the appraisal report at least once in its entirety before you start your review report.
2. Fill out the review form leaving the review conclusions on page one until you are finished with the entire review.
3. Complete all pages. If a question is not applicable enter N/A on the form. If a question does not need further explanation simply answer yes or no as applicable. The form has been designed in an expandable format allowing you to enter all comments that you feel are necessary for the **NREAB** to completely understand your concerns. Please enter your responses in italics or use a different font.
4. Sign the Certification and provide any appropriate limiting conditions.
5. Complete page one.
6. Return your review to the Nebraska Real Estate Appraiser Board Office along with the billing statement for your services.

**Standard 3-Appraisal Review Report**  
**Nebraska Real Estate Appraiser Board**

Board File # or Code # \_\_\_\_\_

**Review Appraiser:**

Address:

City/State:

Nebraska

Certification #:

**Please check all that are applicable:**

Summary of Scope  
of this Review:

- ☐ Desk Review
- ☐ Field Review
- ☐ Appraisal Report
- ☐ Work File
- ☐ Subject Inspection
- ☐ Comparable Inspection
- ☐ Data Verification
- ☐ Primary Sources \_\_\_\_\_
- ☐ Secondary Sources \_\_\_\_\_

Review Conclusions:

- ☐ The Report under Review Meets Minimum Requirements for the NREAB and State Law
- ☐ The Report under Review Does Not Meet Minimum Requirements for the NREAB and State Law

**USPAP**  
**General Rules**

**Ethics Rule**  
**Conduct**

1. Does the assignment appear to have been completed ethically and competently in accordance with USPAP?
2. Is there any indication of advocacy for any party or an indication that the appraiser was influenced in the reporting of a pre-determined opinion or conclusion?
3. Has the appraiser communicated assignment results in a misleading or fraudulent manner?
4. Has the appraiser used or relied upon any unsupported conclusions relating to race, color, religion, national origin, gender, marital status, familial status, age, receipt of public assistance income, handicap, or an unsupported conclusion that homogeneity of such characteristics is necessary to maximize value?

**Ethics Rule**  
**Management**

1. Is there any indication that the appraiser has paid undisclosed fees, commissions, or things of value in connection with the procurement of the assignment?
2. Is there any indication that the appraiser has accepted compensation for performing this assignment contingent upon the reporting of a predetermined result; a direction in assignment results that favors the cause of the client; the amount of a value opinion; the attainment of a stipulated result or the occurrence of a subsequent event directly related to the appraiser's opinions and specific to the assignment's purpose?

3. Is there any indication that the appraiser has advertised for or solicited assignments in a manner that is false, misleading or exaggerated?

### **Ethics Rule**

#### **Confidentiality**

1. Does the appraiser appear to have protected the confidential nature of the appraiser-client relationship?
2. Does the appraiser appear to have acted in good faith with regard for the legitimate interests of the client in the use of confidential information and in the communication of assignment results.
3. Has the appraiser complied with all confidentiality and privacy laws and regulations applicable in the assignment?

### **Ethics Rule**

#### **Record Keeping**

1. Does the workfile contain the following information:
  - a. Name of the client and any other intended users by name or type?
  - b.
  - c. True copy of the written report?
  - d.
  - e. Summary of any oral reports and a signed and dated certification?
  - f.
  - d. All data, information and documentation necessary to support the appraiser's opinions and conclusions?

### **Competency Rule**

1. Has the appraiser properly identified the problem to be addressed and demonstrated the knowledge and experience necessary to complete the assignment competently?
2. If the appraiser had to take additional steps to meet the Competency Rule, has the lack of knowledge and experience and the steps taken to complete the assignment competently been explained adequately in the appraisal report?

### **Departure Rule**

1. If the appraiser has entered into an agreement to perform appraisal services that calls for something less than or different from what is required by specific requirements, has the appraiser clearly identified and explained the departures in the appraisal report?
2. Are the identified departures from specific requirements applicable to the assignment, but not necessary to produce a credible report?

### **Jurisdictional Exception Rule**

1. If the appraiser has voided a part of USPAP based on the Jurisdictional Exception Rule, has the appraiser clearly and accurately stated the legal authority and disclosed the part or parts of USPAP that are void?

### **Supplemental Standards Rule**

1. Has the appraiser complied with all supplemental standards as indicated by the intended user and the intended use?

**Based on the Scope of Work disclosed in the appraisal report and the information in the workfile, answer the following questions based on Standard 1- Real Property Appraisal, Development:**

**Standard 1**

**Development**

**Standards Rule 1-1 (Binding Requirements)**

- a. Has the appraiser employed those recognized methods and techniques necessary to produce a credible appraisal?
  
- b. Has the appraiser committed any substantial error of omission or commission that significantly affects the appraisal?
  
- c. Has the appraiser rendered appraisal services in a careless or negligent manner that in any way affects the credibility of the results?

**Standard 1**

**Development**

**Standards Rule 1-2 (Binding Requirements)**

**Has the appraiser properly identified the characteristics of the property that are relevant to the purpose and intended use of the appraisal including:**

- (i) its location and physical, legal, and economic attributes;
  
- (ii) the real property interest to be valued;
  
- (iii) any personal property, trade fixtures, or intangible items that are not real property but are included in the appraisal;
  
- (iv) any known easements, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations, special assessments, ordinances, or other items of a similar nature; and
  
- (v) whether the subject property is a fractional interest, physical segment, or partial holding?

**Standard 1**  
**Development**

**Standards Rule 1-3 (Specific Requirements)**

- (a) **Has the appraiser identified and analyzed the effect on use and value of existing land use regulations, reasonably probable modifications of such land use regulations, economic supply and demand, the physical adaptability of the real estate, and market area trends?**
  
- (b) **Has the appraiser developed an opinion of the highest and best use of the real estate?**

**Standard 1**  
**Development**

**Standards Rule 1-4 (Specific Requirements)**

- (a) **If the sales comparison approach is applicable in the assignment, has the appraiser analyzed comparable sales data as are available to indicate a value conclusion?**
  
- (b) **If the cost approach is applicable, has the appraiser:**
  - (i) developed an opinion of site value by an appropriate appraisal method or technique?
  - (ii) analyzed such comparable cost data as are available to estimate the cost new of the improvements (if any)?
  - (iii) analyzed such comparable data as are available to estimate the difference between the cost new and the present worth of the improvements including accrued depreciation?
  
- (c) **If the income approach is applicable, has the appraiser:**
  - (i) analyzed such comparable rental data as are available and/or the potential earnings capacity of the property to estimate the gross income potential of the property?

- (ii) analyzed such comparable operating expense data as are available to estimate the operating expenses of the property?
  - (iii) analyzed such comparable data as are available to estimate rates of capitalization and/or rates of discount?
  - (iv) based projections of future rent and/or income potential and expenses on reasonably clear and appropriate evidence?
- (d) **If the appraiser is developing an opinion of the value of the leased fee estate or a leasehold estate, has the appraiser analyzed the effect on value, if any of the terms and conditions of the lease(s)?**
- (e) **If applicable, has the appraiser analyzed the effect on value, of the assemblage of the various estates or component parts of a property and refrained from valuing the whole solely by adding together the individual values of the various estates or component parts?**
- (f) **Has the appraiser analyzed the effect on value, if any, of anticipated public or private improvements, located on or off the site, to the extent that market actions reflect such anticipated improvements as of the effective date of the appraisal?**
- (h) **If the appraiser is appraising proposed improvements, has the appraiser examined:**
  - (i) plans and specifications, or other documentation sufficient to identify the scope and character of the proposed improvements?
  - (ii) Evidence indicating the probable time of completion of the proposed improvements?



- (iii) Reasonably clear and appropriate evidence supporting development costs, anticipated earnings, occupancy projections and the anticipated competition at the time of completion?

## **Standard 1**

### **Development**

#### **Standards Rule 1-5 (Binding Requirements)**

- (a) **Has the appraiser analyzed all agreements of sale, options, or listings of the subject property current as of the effective date of the appraisal?**
- (b) **Has the appraiser analyzed all sales of the subject property that occurred within the three years prior to the effective date of the appraisal?**

## **Standard 1**

### **Development**

#### **Standards Rule 1-6 (Binding Requirements)**

- (a) **Has the appraiser reconciled the quality and quantity of data available and analyzed within the approaches?**
- (b) **Has the appraiser reconciled the applicability or suitability of the approaches used to arrive at the value conclusion?**

## **Standard 2**

### **Reporting**

#### **Standards Rule 2-1 (Binding Requirements)**

- (a) **Does the report clearly and accurately set forth the appraisal in a manner that is not misleading?**

- (b) Does the report contain sufficient information to enable the intended users of the appraisal to understand the report properly?
- (c) Does the report clearly and accurately disclose any extraordinary assumption, hypothetical condition, or limiting condition that directly affects the appraisal and indicate its impact on value?

**Standards Rule 2-2 (Binding Requirements)**

**Does the report prominently state which report option the appraiser has used?**

- (i) Does the report state the identity of the client and any intended users?
- (ii) Does the report state the intended use?
- (iii) Does the report provide sufficient information based on the report option to identify the real estate involved in the appraisal, including the physical and economic property characteristics relevant to the assignment?
- (iv) Is the real property interest appraised clearly stated?
- (v) Does the report state the purpose of the appraisal, including the type and definition of value and its source?
- (vi) Is the effective date of the appraisal and the date of the report clearly stated?
- (vii) Has the appraiser provided sufficient information based on the report option to clearly and accurately disclose to the client and any intended users of the appraisal the scope of work used to develop the appraisal?

- (viii) Does the report state all assumptions, hypothetical conditions and limiting conditions that affected the analyses, opinions, and conclusions?
- (ix) Does the report provide enough information based on the report option to properly explain the information analyzed, the appraisal procedures followed and the reasoning that supports the analyses, opinions, and conclusions?
- (x) Has the appraiser stated the use of the real estate existing as of the date of value and the use of the real estate reflected in the appraisal; and when the purpose of the assignment is market value, has the appraiser provided sufficient information based on the report option to support the rationale for the appraiser's opinion of the highest and best use of the real estate?
- (xi) Has the appraiser explained any permitted departures from specific requirements of Standard 1 and the reason for excluding any of the usual valuation approaches?
- (xii) Has the appraiser included a signed certification in accordance with Standard Rule 2-3?

### Standard Three - Review Report

1. **State the identity of the client in the review assignment:**  
*The Nebraska Real Estate Appraiser Board*
2. **State the Intended Users:**  
*The Nebraska Real Estate Appraiser Board*
3. **State the Intended Use:**  
  
  - [ ] *This review will be used by the **NREAB** to determine qualifications for Licensing, Residential Certification, or General Certification under the licensing law in the State of Nebraska.*
  - [ ] *This review will be used by the **NREAB** to determine if there are substantial errors or inadequacies in the appraisal report that should result in further investigation by the Board.*
4. **State the purpose of the assignment:**  
*To evaluate compliance with relevant USPAP requirements and compliance with applicable laws and regulations.*
5. **Provide the subject of the review assignment:**
6. **Provide the date of the review:**
7. **Provide the property and ownership interest in the work under review:**
8. **Provide the date of the work under review:**
9. **Provide the effective date of the opinion or conclusion in the work under review:**
10. **State the name of the appraiser who completed the work under review, if known:**
11. **Detail the scope of work performed in the review process:**

- 12. Provide your opinion as to the completeness of the material under review, given the scope of work applicable in the assignment:**
- 13. Provide your opinion as to the apparent adequacy and relevance of the data and the propriety of any adjustments to the data, given the scope of work applicable in the assignment:**
- 14. Provide your opinion as to the appropriateness of the appraisal methods and techniques used, given the scope of work applicable in the assignment, and provide your reasons for any disagreement:**
- 15. Provide your opinion as to the whether the analysis, opinions, and conclusions are appropriate and reasonable given the scope of work applicable in the assignment and explain your reasons for any disagreement:**
- 16. Provide all additional pertinent information:**

### **Basic Assumptions and Limiting Conditions**

The submitted report is subject to underlying assumptions and limiting conditions qualifying the information it contains as follows:

1. Possession of this review, or copy thereof does not carry with it the right of publication.
2. The purpose of the assignment is to review the appropriateness of the conclusions and reasonableness of the value estimate determined within the submitted report.
3. This review is intended solely for the internal use of the Nebraska Real Estate Appraiser Board or its assigns. Neither all nor any part of the contents of this review memorandum shall be disseminated to the public through advertising, public relations, news, sales or other media without the prior written consent and the reviewer.
4. Unless prior arrangements have been made, the reviewer, by reason for this review memorandum, is not required to give further consultation or testimony, or to be in attendance court with reference to the property that is the subject of this review,
4. Unless stated otherwise in the review, the analyses, opinions and conclusions in this review are based solely on the data, analyses and conclusions contained in the appraisal report and/or the workfile under review.
6. All analyses, opinions and conclusions expressed by the reviewer are limited by the scope of the review process as defined herein.
7. The conclusions apply only to the property specifically identified and described herein and in the reviewed appraisal report,
8. The reviewer has made no legal survey nor have they commissioned one to be prepared, therefore, reference to a sketch, plat, diagram or previous survey appearing in the report is only for the purpose of assisting the reader to visualize the property.
9. No responsibility is assumed for legal matters existing or pending, nor is opinion rendered as to title, which is assumed to be good.
10. Disclosure of the contents of this review is governed by the Bylaws and Regulations of the Nebraska Real Estate Appraiser Board.
11. The compensation received for this assignment is in no manner contingent upon the conclusion of the review.
12. Reviewer Competency: The signatory of this review is a fully qualified Certified Residential or Certified General Appraiser who has been involved in the valuation and/or review of many similar properties. The education and experience in valuing and reviewing similar properties satisfies the Competency Rule of USPAP. The professional qualifications of the person(s) performing this review are on file with the Nebraska Real Estate Appraiser Board.

### **Certification**

I certify that, to the best of my knowledge and belief:

- \* The facts and data reported by the reviewer and used in the review process are true and correct.

- \* The analyses, opinions and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- \* I have no present or prospective interest in the property that is the subject of this review, and I have no personal interest with respect to the parties involved.
- \* I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- \* My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- \* My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in this review or from its use.
- \* My analyses, opinions, and conclusions were developed and this review report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- \* I have made a personal inspection of the subject property of the work under review.
- \* No one provided significant appraisal, appraisal review, or appraisal consulting assistance to the person signing this report.
- \* I have acquired through study and practice the necessary knowledge and experience to complete this assignment competently.
- \* The use of the review is subject to the requirements of the Nebraska Real Estate Appraiser Board relating to review by its duly authorized representatives.
- \* As of the date of this report, the reviewer named herein has completed the Continuing Education requirements of the Nebraska Real Estate Appraiser Board according to Nebraska law.

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Signature

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Nebraska Certification Number

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Date of the Report